



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION 2**  
**290 BROADWAY**  
**NEW YORK, NY 10007-1866**

**VIA E- MAIL**

**Agreement No. CS72000112**

October 2, 2012

Pedro J. Nieves Miranda, Esq.  
President  
Puerto Rico Environmental Quality Board  
P.O. Box 11488  
San Juan, Puerto Rico 00910

**Subject: FFY2012 Clean Water State Revolving Fund Capitalization Grant**

Dear Mr. Nieves Miranda:

I am pleased to offer to the Puerto Rico Environmental Quality Board (PREQB) a Clean Water State Revolving Fund (CWSRF) Capitalization Grant in the amount of \$18,434,000. This award represents the full amount of the Federal Fiscal Year (FFY) 2012 allotment available to the Commonwealth of Puerto Rico and is based on your application dated May 17, 2012. Your attention is directed to the Terms and Conditions contained in the award document. Please pay particular attention to Programmatic Condition No. 1 "Drawdown of CWSRF Project Costs;" which sets forth payment restrictions for project costs. EQB will not be paid for CWSRF project costs until PREQB submits and EPA approves the required documents, as detailed in EPA's July 24, 2012, Non-Compliance Letter to PREQB.

Please be advised that as part of the required corrective actions to ensure that EQB has a compliant CWSRF program, it must agree to submit a rebudgeting request for this agreement that requests in-kind contractual services for a Management Assistance Review and follow-up. EQB must also agree to correct any deficiencies identified during this review. Moreover be advised that because EQB currently does not have an approved indirect cost rate for the period of this agreement and has not yet submitted a request for one, no indirect costs have been included in this award. When EQB submits the rebudgeting request for in-kind services it can also requests indirect costs at that time if this situation has been rectified.

Additionally, Administrative Condition Nos. 1 and 2 set forth the reimbursement provisions of this agreement for Administrative costs. EQB will not be reimbursed for any costs incurred until sufficient progress has been made with respect to the ongoing Corrective Action Plan to warrant payment for this agreement. Finally, please note that this agreement reflects our recent reorganization: the Grants and Audit Management Branch now manages assistance agreements.

In addition, the forms and guidance you will need to administer your agreement can be found at the EPA website at <http://www.epa.gov/ogd/forms/forms.htm>.

Please print two copies of the attached agreement in its entirety, sign and date them, retain one for your files and return one to this office. Completed documents must be returned within three calendar weeks of receipt, or within any extension of time as may be granted by the U.S. Environmental Protection Agency.

You have the option of either emailing your signed agreement to Region2\_GrantApplicationBox@epa.gov or mailing it to:

Roch Baamonde, Chief  
Grants & Audit Management Branch  
U.S. EPA Region 2  
290 Broadway, 27<sup>th</sup> Floor  
New York, NY 10007

All email attachments must be sent in pdf format. Documents emailed to us in any other format cannot be accepted. Also, be advised that any electronic submissions exceeding 15 Megabytes must be mailed.

We look forward to an early acceptance.

Sincerely,



Donna J. Vizian  
Assistant Regional Administrator  
for Policy and Management

#### Attachment

cc: Wanda Garcia Hernandez, PREQB  
Gabriel Rivera, PRGDB  
Carlos Colazzo, PRGDB  
Jose Ortiz, PRASA  
J. Geliga, CEPD/MWPB  
Yasmin Laguer, CEPD/MWPB